

SMALL ELECTRICITY CUSTOMER DISCONNECTION, HARDSHIP AND COMPLAINTS STATISTICS – MARCH QUARTER 2013

Introduction

Clause 8.5.1 of the Electricity Industry Code (the Code) requires that the Authority monitor and publish information on the number of small electricity customer¹ disconnections and complaints.

As at 31 March 2013, there were three licensed distributors (Energex, Ergon Energy and Essential Energy) servicing 22 licensed retailers in Queensland². Of the 22 retailers, only 15 supplied electricity to small customers, an increase of one from the previous quarter due to Simply Energy, which has been licensed for some time, acquiring its first customers.

Customer disconnections

The Authority defines disconnections to include all instances where the flow of energy to a small customer's premises is terminated. This includes all disconnections initiated by the retailer through the Australian Energy Market Operator's (AEMO) Market Settlement and Transfer Solution (MSATS) system with a service order status of "completed" and "partially completed" as per AEMO's B2B Procedure: *Service Order Process* (version 1.7, section 2.6.5). This measure includes all disconnections irrespective of the method of disconnection.

Retailer initiated disconnections

Clause 8.5.3 of the Code requires that electricity retailers provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were disconnected;
- (b) the number of small business and residential customers who were disconnected due to non-payment; and
- (c) the number of pensioners or concession card holders who were disconnected due to non-payment.

Clause 8.5.6 of the Code requires that distributors report quarterly the total number of small customer disconnections and the number of disconnections due to non-payment (separated into business and residential customers) that the distributor performed at the request of each retailer.

Retailer and distributor information on the number of small customers disconnected is provided in **Table 1**.

Overall, retailers reported more disconnections (408 or 1.4%) than did distributors. This small difference is largely due to slight timing differences between when retailers and distributors become aware that service order requests for disconnections have been completed.

¹ Small customers are defined as those consuming less than 100MWh of electricity per annum and include small residential customers and small business customers.

² Some retailers hold more than one license.

The significant variation between the retailer and distributor figures for EnergyAustralia has been investigated and revealed there is a slight difference in reporting methodologies, whereby Energex reports on the status of the property and EnergyAustralia reports on the status of the customer. Further investigations on whether these can be brought into alignment will continue.

Table 1: Small customer disconnections

<i>Retail entity</i>	<i>Business customers</i>		<i>Residential customers</i>		<i>Total</i>	
	<i>Retailer data</i>	<i>Distributor data</i>	<i>Retailer data</i>	<i>Distributor data</i>	<i>Retailer data</i>	<i>Distributor data</i>
AGL Sales	370	450	7,574	7,271	7,944	7,721
Aurora Energy	0	0	0	0	0	0
Australian Power and Gas	0	9	819	844	819	853
Click Energy	17	25	644	636	661	661
Cozero	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0
Dodo Power and Gas	0	0	2	0	2	0
EnergyAustralia ^a	67	101	1,771	1,438	1,838	1,539
Ergon Energy Queensland	1,215	1,215	4,196	4,196	5,411	5,411
ERM Power Retail	0	1	0	0	0	1
Essential Energy ^b	0	0	0	0	0	0
Lumo Energy	23	40	620	663	643	703
Momentum Energy	0	0	0	0	0	0
Origin Energy ^c	803	1,060	11,868	11,610	12,671	12,670
OzGen Retail	0	0	0	0	0	0
Powerdirect	152	151	130	132	282	283
Qenergy	43	57	35	45	78	102
Red Energy	0	0	0	0	0	0
Sanctuary Energy	0	0	3	0	3	0
Simply Energy	0	0	0	0	0	0
Stanwell ^d	0	0	0	0	0	0
TOTAL	2,690	3,109	27,662	26,835	30,352	29,944

a. Combines TRUenergy and EnergyAustralia from 8 October 2012

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.

Information from retailers and distributors related to disconnections for non-payment is presented in **Table 2**.

Table 2: Small customer disconnections due to non-payment

<i>Retail entity</i>	<i>Business customers</i>		<i>Residential customers</i>				<i>Total</i>	
	<i>Retailer data</i>	<i>Distributor data</i>	<i>Retailer data</i>			<i>Distributor data</i>	<i>Retailer data</i>	<i>Distributor data</i>
			<i>Pensioner/ concession card holders</i>	<i>Others</i>	<i>Total</i>			
AGL Sales	118	128	259	811	1,070	1,319	1,188	1,447
Aurora Energy	0	0	0	0	0	0	0	0
Australian Power and Gas	0	1	20	38	58	76	58	77
Click Energy	6	6	8	42	50	50	56	56
Cozero	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0	0
EnergyAustralia ^a	11	17	0	47	47	56	58	73
Ergon Energy Queensland	101	101	426	1,346	1,772	1,772	1,873	1,873
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0	0
Lumo Energy	3	4	9	68	77	133	80	137
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy ^c	274	166	189	1,553	1,742	1,126	2,016	1,292
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	49	49	3	17	20	21	69	70
Qenergy	24	13	0	7	7	17	31	30
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0	0
Stanwell ^d	0	0	0	0	0	0	0	0
TOTAL	586	485	914	3,929	4,843	4,570	5,429	5,055

a. Combines TRUenergy and EnergyAustralia from 8 October 2012

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.

Disconnections performed at the instigation of distributors

Clause 8.5.6 of the Code requires that all distributors provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were disconnected at the instigation of the distributor; and

- (b) the total number of small business and residential customers who were disconnected at the instigation of the distributor due to non-payment of bills, safety reasons and ‘other’ reasons.

This information is shown in **Table 3**.

Table 3: Small customer disconnections performed at the instigation of the distributor

<i>Distribution entity</i>	<i>Due to non-payment</i>		<i>Safety reasons</i>		<i>Other reasons</i>		<i>Total</i>
	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	
Energex	0	0	185	1,382	34	84	1,685
Ergon Energy	0	0	17	5	0	0	22
Essential Energy ^a	0	0	0	0	0	0	0
TOTAL	0	0	202	1,387	34	84	1,707

a. Named Country Energy prior to 1 March 2011.

The unusually high number of disconnections for safety reasons reported by Energex is due to two extreme weather events in January and March.

Customer reconnections

Clause 8.5.3 of the Code requires that all electricity retailers provide information for the previous quarter relating to:

- (a) the total number of small business and residential customers who were reconnected with the same name at the premises after being disconnected due to non-payment;
- (b) the total number of small business and residential customers who were reconnected within seven days with the same name at the premises after being disconnected due to non-payment; and
- (c) the number of pensioner or concession card holders who were reconnected with the same name at the premises after being disconnected due to non-payment for the previous quarter.

Reconnections occur when the flow of electricity to a small customer’s premises has been restored after a disconnection. The measure includes service orders for reconnections completed in the quarter.

This information is shown in **Table 4**.

Table 4: Small customer reconnections, after being disconnected due to non-payment

Retail entity	Reconnections within 7 days			Total reconnections			
	Business customers	Residential customers	Total	Business customers	Residential customers		Total
					Pensioner/ Concession card holders	Others	
AGL Sales	15	424	439	49	95	929	1,073
Aurora Energy	0	0	0	0	0	0	0
Australian Power and Gas	0	16	16	0	5	11	16
Click Energy	3	25	28	3	5	20	28
Cozero	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0
Dodo Power and Gas	0	0	0	0	0	0	0
EnergyAustralia ^a	0	22	22	0	0	22	22
Ergon Energy Queensland	30	922	952	33	272	722	1,027
ERM Power Retail	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0
Lumo Energy	1	39	40	1	4	35	40
Momentum Energy	0	0	0	0	0	0	0
Origin Energy ^c	22	153	175	22	24	136	182
OzGen Retail	0	0	0	0	0	0	0
Powerdirect	24	7	31	25	0	7	32
Qenergy	0	0	0	3	0	3	6
Red Energy	0	0	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0	0	0
Simply Energy	0	0	0	0	0	0	0
Stanwell ^d	0	0	0	0	0	0	0
TOTAL	95	1,608	1,703	136	405	1,885	2,426

a. Combines TRUenergy and EnergyAustralia from 8 October 2012

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.

Hardship program participation by small residential customers

Clause 8.5.3 of the Code requires that retailers provide information on the level of hardship program participation by small residential customers for the previous quarter. A hardship program allows for a customer with payment difficulties to be removed from a retailer's normal debt collection activity, and allowed extended payment arrangements.

The number of customers participating in a hardship program provides an indication of the level of energy affordability in the electricity market. This measure also reflects the effectiveness of retailers' programs to identify customers experiencing payment difficulties and retailers' general debt collection practices. In this case, "debt" is defined as the dollar amount which has

been outstanding to the retailer for the sale or supply of electricity for a period of 90 days or more.

This information is shown in **Table 5**.

Table 5: Hardship program uptake by small residential customers

<i>Retail entities</i>	<i>Participating in a hardship program (#)</i>	<i>Denied access to a hardship program (#)</i>	<i>Exited a hardship program (#)</i>	<i>Average debt on entry into a hardship program (\$)</i>	<i>Average length of time a customer remained in a hardship program (days)</i>
AGL Sales	1,033	9	185	347	242
Aurora Energy	0	0	0	0	0
Australian Power and Gas	208	65	28	1,642	235
Click Energy	199	0	24	156	17
Cozero	0	0	0	0	0
CS Energy	0	0	0	0	0
Diamond Energy	0	0	0	0	0
Dodo Power and Gas	13	0	2	657	117
EnergyAustralia ^a	204	0	135	1,024	151
Ergon Energy Queensland	5,217	1	2,044	856	264
ERM Power Retail	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0
Lumo Energy	131	0	17	612	37
Momentum Energy	0	0	0	0	0
Origin Energy ^c	3,029	0	649	409	484
OzGen Retail	0	0	0	0	0
Powerdirect	21	3	1	1,570	79
Qenergy	16	0	3	1,200	450
Red Energy	0	0	0	0	0
Sanctuary Energy	0	0	0	0	0
Simply Energy	0	0	0	0	0
Stanwell ^d	0	0	0	0	0
TOTAL	10,071	78	3,088	n/a	n/a

a. Combines TRUenergy and EnergyAustralia from 8 October 2012

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.

The relatively high number of denials of access to a hardship program for Australian Power and Gas (APG) is due to a change in its hardship policy which has tightened program eligibility. In the majority of cases the denials were on the basis of customers' refusal to engage or lack of willingness to pay. Customers denied access to the hardship program are still protected by the requirements in the Electricity Code for retailers to offer an instalment plan, except where the terms of the instalment plan have been breached twice in the previous 12 months.

Customer complaints

Clause 8.5.4 of the Code requires that all electricity retailers provide quarterly information on the number of complaints received from their small business and residential customers in respect of their actions or omissions as a retailer for the following categories:

- (a) total complaints;
- (b) billing or account complaints;
- (c) marketing complaints; and
- (d) other complaints.

Complaints are defined as a written or verbal expression of dissatisfaction about an action, or a failure to act, or in respect of a product or service offered or provided, by an electricity entity.

This information is shown in **Table 6**.

Table 6: Complaints received from small customers

<i>Retail entity</i>	<i>Billing/ account issues</i>		<i>Marketing issues</i>		<i>'Other' issues</i>		<i>Total</i>	
	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>	<i>Business customers</i>	<i>Residential customers</i>
AGL Sales	202	1,622	8	95	109	1,654	319	3,371
Aurora Energy	0	0	0	0	0	0	0	0
Australian Power and Gas	0	22	0	1	0	5	0	28
Click Energy	2	71	1	12	0	1	3	84
COzero Retail	0	0	0	0	0	0	0	0
CS Energy	0	0	0	0	0	0	0	0
Diamond Energy	0	0	0	0	0	0	0	0
Dodo Power and Gas	0	203	0	6	0	36	0	245
EnergyAustralia ^a	10	226	3	91	9	190	22	507
Ergon Energy Queensland	173	803	0	5	25	308	198	1,116
ERM Power Retail	0	0	0	0	0	0	0	0
Essential Energy ^b	0	0	0	0	0	0	0	0
Lumo Energy	334	4	9	0	328	1	671	5
Momentum Energy	0	0	0	0	0	0	0	0
Origin Energy ^c	143	2,394	0	41	51	514	194	2,949
OzGen Retail	0	0	0	0	0	0	0	0
Powerdirect	16	9	1	1	7	7	24	17
Qenergy	7	3	1	0	0	0	8	3
Red Energy	0	0	0	0	0	0	0	0
Sanctuary Energy	1	23	0	1	0	6	1	30
Simply Energy	0	0	0	0	0	1	0	1
Stanwell ^d	0	0	0	0	0	0	0	0
Total	888	5,380	23	253	529	2,723	1,440	8,356

a. Combines TRUenergy and EnergyAustralia from 8 October 2012

b. Named Country Energy prior to 1 March 2011.

c. Includes data for Sun Retail and Integral Energy

d. Includes data for Tarong Energy.